



KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

May 28, 2013

Potlatch Corporation
601 W 1st Ave
Suite 1600
Spokane, WA 99201

To the Board of Directors and Management of Potlatch Corporation:

We have performed the procedures enumerated below, which were agreed to by Potlatch Corporation (the "Company") and Potlatch Land & Lumber, LLC, to assist the Company in confirming selected financial data contained in the letter from Eric J. Cremers, the Company's Chief Financial Officer, dated May 24, 2013, to the Federal On-Scene Coordinator, United States Environmental Protection Agency, Coeur d'Alene Field Office (the "CFO Letter"). We have been advised by the Company that the CFO Letter has been or will be submitted to the United States Environmental Protection Agency ("EPA") in support of the Company's use of a financial test to demonstrate financial assurance for the Company's obligations under that certain Unilateral Administrative Order (the "UAO"), dated April 4, 2013, (Docket No. CERCLA-10-2013-0094) between the Company and EPA. The procedures enumerated below were performed solely to assist the Company in complying with the financial assurance requirements contained in the UAO.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our associated findings are as follows:

1. We confirm that we have audited the consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2012 in accordance with U.S. generally accepted auditing standards (such audited, consolidated financial statements, the "Audited Financials"). Our report dated February 15, 2013, with respect thereto, is included in the Company's 2012 Annual Report on Form 10-K which states such Audited Financials were presented in accordance with U.S. generally accepted accounting principles.
2. Using data set forth in the Audited Financials, we calculated the amount of the Company's tangible net worth as of December 31, 2012 as \$132,506,000, by subtracting the amount of net intangible assets of \$6,137,000 from the amount of total stockholders' equity of \$138,643,000. We compared the amount of the Company's tangible net worth as so





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calculated with the amount set forth in Line 6(C) of the CFO Letter ("Tangible Net Worth"), and found such amounts to be in agreement.

3. We calculated the percentage of Company assets located in the United States as of December 31, 2012 by dividing the amount of the Company's total assets located in the United States of \$718,897,000 (such amount was derived by the Company from its underlying accounting records that support the Audited Financials and provided to us in writing) by the amount of the Company's total assets as defined and set forth in the Audited Financials, and found such percentage to be greater than 90%.
4. Our calculation of the amount of the Company's tangible net worth (as set forth in Line 2 above) is greater than or equal to \$10 million.
5. The dollar amount identified in Line 6(A) of the CFO Letter equaling \$5 million is hereinafter referred to as the "Financial Assurance Amount." Our calculation of the amount of the Company's tangible net worth (as set forth in Line 2 above) is greater than or equal to an amount calculated as six times the Financial Assurance Amount.

The foregoing agreed-upon procedures do not constitute an audit of the Company's financial statements or any part thereof, the objective of which is the expression of opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and Management of the Company and is not intended to be and should not be used by anyone other than these specified parties; provided, however, that we acknowledge and agree that the Company may provide this report to the United States Environmental Protection Agency in support of the Company's financial assurance demonstration under the UAO.

Very truly yours,

KPMG LLP

Portland, Oregon
May 28, 2013